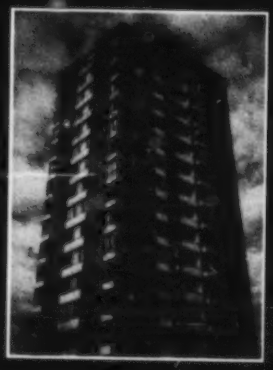
British Columbia
Housing Management Commission



1987 ANNUAL REPORT

89-01875/

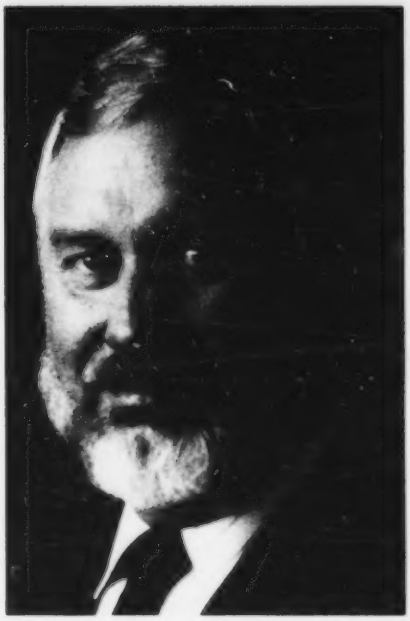
Contents

*General Manager's Report 3
*Purpose and Accountability 4
*Operating Policy 6
*Portfolio and Programs 7
*Housing Portfolio 10
*1987 Highlights 12
*Commission Organization 16
*Organization Chart 17

*FINANCIAL STATEMENTS
Auditors' Report 18
Combined Balance Sheet 19
Combined Statement of Revenue and Expenditure and Province's Account 20
Combined Statement of Changes in Financial Position 21
Notes to Financial Statements 22
*Schedule of Net Program Costs 24
*Office Addresses . . . . . I.B.C.

* major section headings

The Honourable
Robert G. Rogers
Lieutenant-Governor of the
Province of British Columbia



May it please Your Honour:

I have the honour to present the Annual Report of the British Columbia Housing Management Commission for the year ended December 31, 1987.

Claude Richmond

Claude Richmond
Minister of Social Services and Housing

The Honourable
Claude Richmond
Minister of Social Services and Housing
Province of British Columbia

Sir:

I have the honour to submit, for your approval, the Annual Report of the British Columbia Housing Management Commission covering the period January 1, 1987 to December 31, 1987.

Mary H. Kerr

Mary H. Kerr
Chairman

General Manager's Report

1987 was a busy year for the Commission, and one where we began to implement many of the plans that were approved the year before. For example, construction was completed on the first of the new social housing projects approved under the 1986 Non-Profit Housing Program, and we were happy to join in the societies' success at providing housing for the needy. With a year's experience behind us, we revised and refined the Proposal Call process for 1987, and were impressed with the calibre of responses we received.

One of our most noteworthy achievements was the opening of the Wheelchair Housing Registry, a service provided by the Commission to match physically disabled people with wheelchair modified accommodation available both in the private market and in social housing.

A number of major upgrading projects were completed at developments in the Commission's own portfolio, bringing some of our older buildings up to date and greatly improving their overall appearance. Also in 1987, we decreased the administrative cost of operations in areas outside Greater Vancouver by reducing the number of regional offices from three to two.

It was a year of hard work, and much was accomplished through the cooperation of Commission staff who were determined to see the many new programs and initiatives succeed. All are to be congratulated.

J. C. Leman

J.C. Leman
General Manager

Purpose and Accountability

The British Columbia Housing Management Commission (The Commission) was established as an agency of the Province of British Columbia in 1967 to manage provincial and federal-provincial housing and property. In all its programs and activities, it is accountable to the Honourable Claude Richmond, Minister of Social Services and Housing.

The purposes of the Commission are outlined by Order-in-Council No. 2388, dated September 7, 1978, and are as follows:

A. To execute provincial housing policies as directed by the Ministry charged with the administration of the Housing Act (Social Services and Housing).

B. To manage provincial and federal-provincial housing and property on behalf of the Ministry.

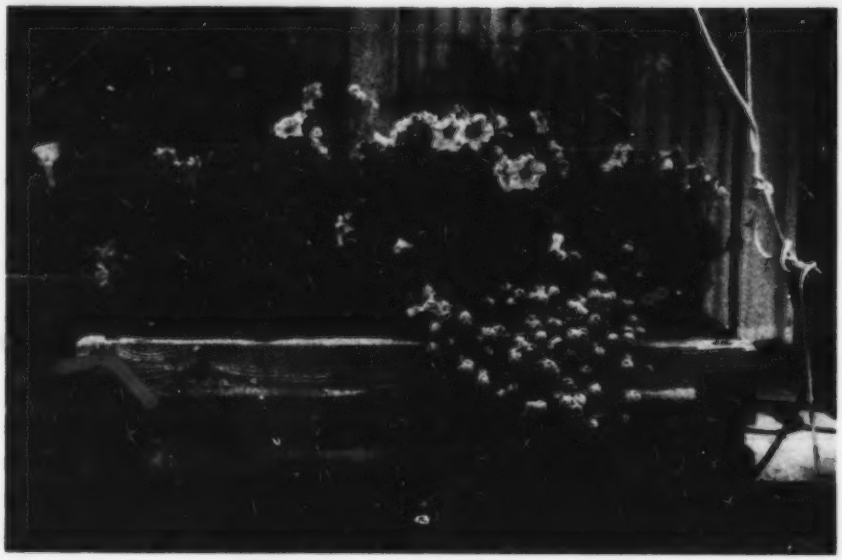
C. To administer rent supplement programs of the Ministry in:

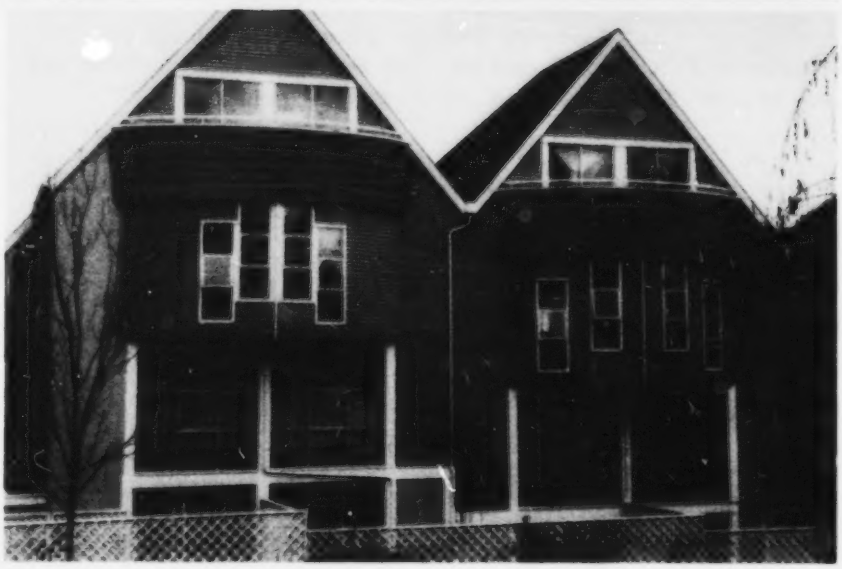
- housing managed by the Commission;
- housing operated by non-profit societies and;
- housing owned and operated in the private sector.

D. To monitor the performance and value of programs under its jurisdiction.

E. To develop social housing policy and also to recommend to the Ministry policy or program changes related to matters under the Commission's jurisdiction.

F. To provide the Ministry with housing program services as required.





In 1985, the mandate of the Commission was expanded to incorporate the development, delivery, and administration of all provincially led subsidized social housing and the development of social housing policy.

The Commission is overseen by a Board of Commissioners who are appointed by the Lieutenant-Governor in Council upon the recommendation of the Minister. The Chairman is appointed by the Minister from among the Board members. The Chairman and the Board are accountable to the Minister. The Board ensures that the organization fulfills its purposes and does not exceed the powers and duties outlined in its Order-in-Council. The Board hires the General Manager who, as the Chief Executive Officer, manages the affairs of the Commission.

Purpose and Accountability *Cont'd.*

There are five branches within the organization which carry out the day to day operations. Together with the General Manager, the Directors of these branches make up a Management Committee which establishes operating policies and provides leadership and direction to the organization.

The Social Housing Branch is responsible for the planning of social housing activity and the development of program policies and procedures. The branch also administers rent supplement programs and centralized rent calculation services. Operational responsibilities include tenant allocation in the lower mainland.

The Field Operations Branch ensures the effective management and maintenance of the Commission's housing and property portfolio. Following a decentralized management model, there are five regional offices and two area offices in the Province.

The Development and Technical Services Branch is responsible for the delivery of the annual allocation of social housing units, and also provides engineering and technical expertise for the Commission. This includes implementing a comprehensive long term capital maintenance plan for the Commission's portfolio. The branch also develops standards, policies and guidelines for technical and engineering services, equipment, and materials required for the maintenance and security of Commission properties.

The Financial and Administrative Services Branch provides accounting, budgeting, financial planning, computer and administrative services to the Commission, and financial reporting to the Provincial and Federal governments.

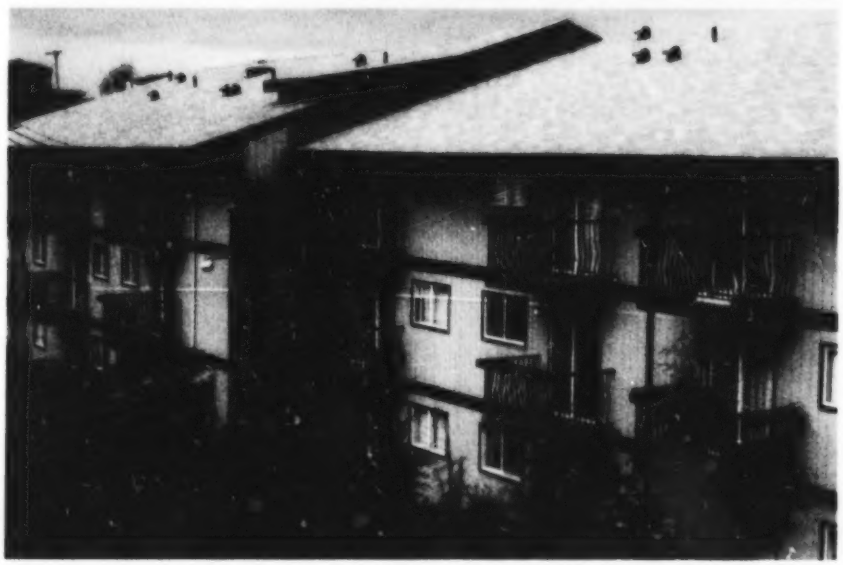
The Personnel and Labour Relations Branch provides labour relations, recruitment, selection, compensation, training and development services to the organization.

At December 31, 1987, the Commission had 229 employees. Of these, 98 were under collective agreement with the Service Employees' International Union (SEIU), 84 were under agreement with the British Columbia Government Employees' Union (BCGEU), and 14 were under agreement with the Hotel, Restaurant and Culinary Employees and Bartenders Union (HRCEBU) while 33 were excluded from union contracts.

Operating Policy

The general policy framework within which the Board of Commissioners and staff carry out the purposes of the Commission and conduct Commission business are summarized as follows:

- To determine housing needs in the Province.
- To ensure that the funds available for social housing are targeted to those most in need and managed conscientiously and economically.
- To allocate housing to low and moderate income families on the basis of need, aiming to achieve a social and economic integration of residents.
- To allocate housing to modest income senior citizens and disabled persons on the basis of need.
- To provide a living environment for tenants that is safe, secure, and provides quiet enjoyment.
- To pursue maintenance standards that produce modern, safe. sound, and aesthetic properties.
- To ensure that new social housing developments are consistent with neighbourhood design, meet quality standards, and are built to minimize long term operating costs.
- To ensure accountability by staff and tenants to the terms of the Tenancy Agreement and the Residential Tenancy Act.
- To assert positive, fair, and consistent relations with tenants and the larger community.



- To foster the idea and practice of local tenant associations and resident groups.
- To inspire professionalism, innovation, and accountability in staff performance.
- To encourage skilled management in the non-profit housing sector.
- To be a cooperative resource in relations with the Ministry of Social Services and Housing and other agencies with which the Commission is associated.

Portfolio and Programs

At December 31, 1987 and 1986

	Housing Units		Developments/ Societies	
	1987	1986	**1987**	1986
Property Management Portfolio:				
Section 40 National Housing Act (NHA) Regular	**5,477**	5,477	**51**	50
City of Vancouver	**290**	290	**3**	3
Penticton & District Retirement Centre	**126**	126	**1**	1
Section 44 NHA	**1,951**	1,952	**44**	45
Wholly Provincial				
Projects	**131**	147	**11**	13
City of Vancouver	**108**	–	**1**	–
The Glenshiel	**74**	74	**1**	1
TOTAL	**8,157**	8,066	**112**	113
Non-Profit and Private Sector Rental Assistance Programs:				
Section 44(1)(a) NHA				
Private	**464**	535	**74**	78
Disabled	**267**	319	**65**	75
City of Vancouver Residences	**164**	164	**2**	2
Section 44(1)(b) NHA				
Senior Citizens	**2,598**	2,762	**94**	112
High Impact Grants	**17**	17	**1**	1
Section 56.1 NHA				
Social Housing Program*	**559**	–	**56**	–
Provincial Rental Assistance Program				
Seniors	**686**	730	**33**	33
Disabled	**282**	286	**60**	65
TOTAL	**5,037**	4,813	**385**	366
**Units at commitment stage:*	*2,996*	*1,843*		

Other Provincial Programs:
Rural and Remote Mortgage Program
GVRD and Co-op Mortgage Programs
Ray Cam Co-operative Centre

Portfolio and Programs *cont'd.*

Property Management Portfolio

In 1987, the Property Management Portfolio included 8,157 units in 112 developments throughout the Province. With the exception of 398 units managed by the City of Vancouver and 126 units managed by the Penticton & District Retirement Centre, all were managed by the Commission. Within this portfolio the Commission provides sound, secure and affordable housing for senior citizens, disabled persons and families.

Under this program, tenants are charged market rent, but may apply for financial assistance to reduce their rent to 30% of their gross household income. Rents are subsidized by the federal and provincial governments. All tenants have their household income reviewed annually by the Commission. During 1987, total tenant rents paid to the Commission plus financial contributions by the two levels of government provided the revenue necessary to offset the cost of managing, operating and amortizing this housing portfolio.

There are five regional offices located throughout the Province. The Managers of these offices are responsible for all employees, agents and Commission activities within their geographic area.

The selection of tenants is based on housing need determined by a point system. Applicants are allotted points for such factors as inadequacies of present accommodation; percentage of income being paid for the accommodation; and the amount of income in comparison to household size. Applicants and tenants who feel aggrieved by staff decisions may appeal them to the Chairman.

In Greater Vancouver the tenant selection function is centralized at the Home Office. Regional offices in other areas of the Province are responsible for this function.

Rent Supplement Programs

The majority of housing units within the Commission's administration are funded under Rent Supplement Programs.

The Commission administers these Federal-Provincial programs aimed at maintaining housing provided by non-profit societies and in designated units in the private sector.

Four distinct programs provide assistance to the tenants of eligible non-profit societies. Tenants are assured that they will pay no more than 30% of their income towards rent.

In most programs the Commission is involved directly with the non-profit society, not with the tenants. The society is responsible for the preparation and submission to the Commission of all documents relating to individual tenant income and changes in tenancy. All tenants have their incomes reviewed annually by the non-profit society and the Commission.

Senior Citizens

1. Section 44(1)(b) National Housing Act

   For the year ending December 31, 1987, payments totalling $2,457,974 were made to non-profit societies managing 94 buildings. These rent supplement payments are shared equally by the Provincial and Federal governments.

2. Provincial Rental Assistance Program – Senior Citizens

   The program provides rent supplement payments to assist residents in units constructed under the Provincial Senior Citizens Rental Housing Construction program that receives Section 56.1 NHA assistance. At year end, 686 units in 33 buildings had received assistance at a cost to the Province of $599,755.

Disabled

3. Section 44(1)(a) National Housing Act

   For the year ending December 31, 1987 payments totalling $1,399,924 managing 267 units in 65 buildings. Costs are shared equally by the Provincial and Federal governments.

4. Provincial Rental Assistant Program – Disabled

   This program provides rent supplement payments to assist residents in units constructed under the Provincial Housing for Disabled Program that receive Section 56.1 NHA assistance. At year end there were 282 units in 60 buildings at an assistance cost of $249,777.

High Impact Grant

This grant was designed to assist co-operatives or non-profit societies meet their operating expenses during the first seven to eight years of operation. Cost of this program in 1987 was $4,127.

Assisted Rental Program

The Commission provides rent supplement payments to 464 tenants living in 74 private developments built under this program. Tenants pay no more than 30% of their income for rent. These payments are shared by the Provincial and Federal Governments under Section 44(1)(a) National Housing Act. At December 31, 1987, tenants in these developments had received payments totalling $1,621,567.

Social Housing Programs

The 1986 Social Housing Agreement between the Federal and Provincial Governments established the following new programs:

1. Non-Profit Housing Program

   This program assists non-profit organizations in the provision of modest housing for needy families, senior citizens, older singles and disabled persons. During 1987, 1,354 units were allocated for the program. Operating subsidies totalling $215,622 were paid to 260 units in 14 buildings by year end 1987.

   Capital financing for projects up to 100% of the approved project costs is arranged with a private lender.

   Upon completion of construction, the two levels of government will provide an operating subsidy to make up the difference between the rent paid by the tenants and the actual operating cost of the project. Rents are limited to 30% of the tenant household income.

2. Rent Supplement Program

   This program provides funding to assist needy families, senior citizens, older singles and disabled persons with their housing costs. Units under this program may be leased in the private market, and administered by the Commission or Non-Profit Societies, or built under the new Federal Co-operative Housing Program (30% of the units created under this program will receive supplements).

   Tenants assisted under this program pay 30% of their income for rent. On behalf of the Federal and Provincial Governments, the Commission will provide financial assistance to cover the difference between the market rent for the unit and the rent paid by the tenant. During 1987, 329 units were allocated under this rent supplement program. Operating subsidies totalling $288,347 were paid to 193 units in 23 buildings by year end 1987.

3. Special Purpose Housing

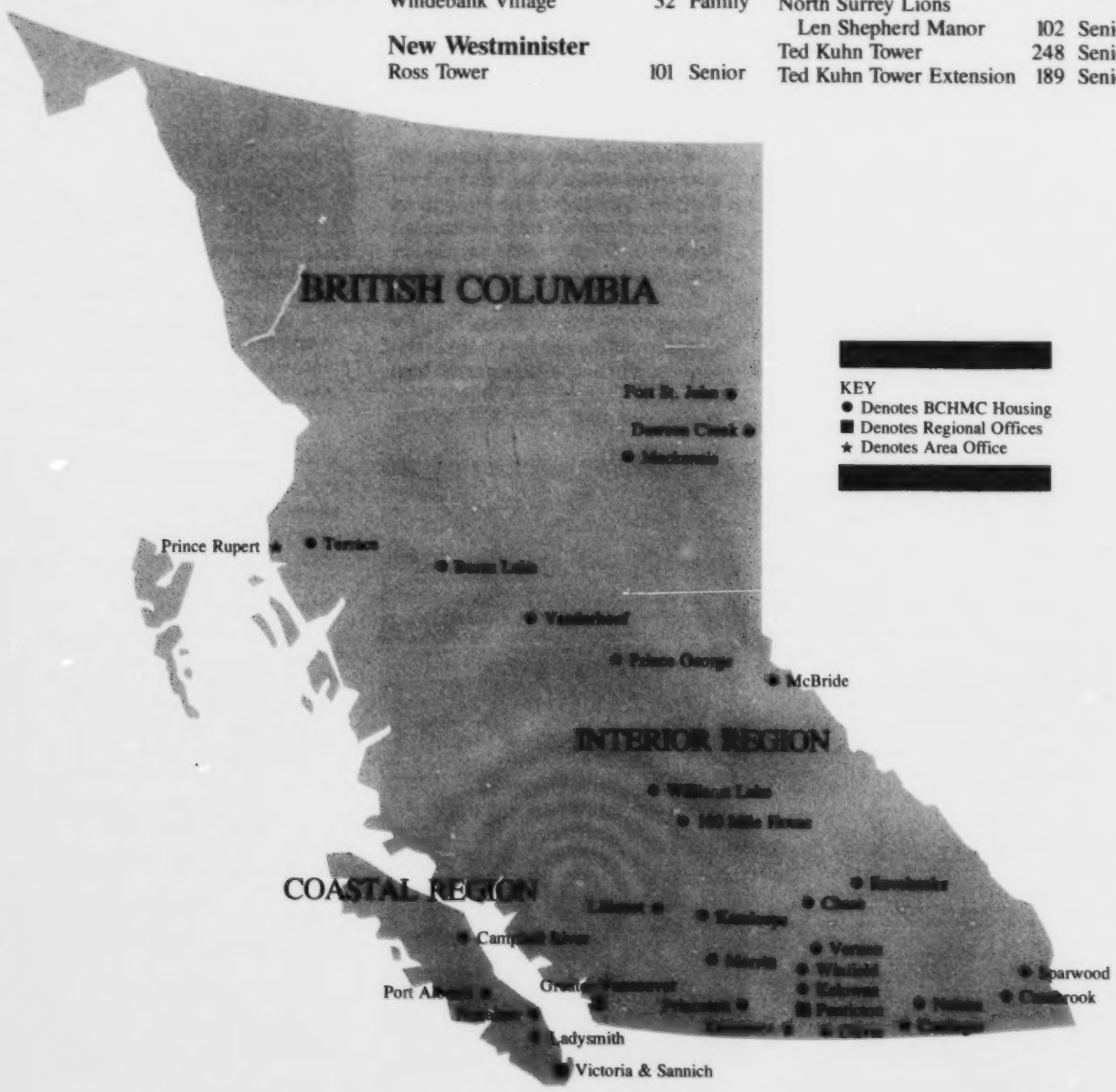
   This Program provides funding for the development of projects where 24- hour care is required for residents; examples include transition homes and intermediate care facilities. The Federal and Provincial governments provide a 2% mortgage write down on the residential portion of the building.

   During 1987, 274 units were allocated for Special Purpose housing projects. Funding totalling $127,049 was paid to 106 units in 19 buildings by year end 1987.

General Manager Mr. J. C. Leman at Garden Forum '87

Housing Portfolio

Greater Vancouver	Units	
Individual Houses	67	Family
Abbotsford		
Cedarhurst	53	Family
Mackenzie Road	38	Family
Aldergrove		
Alderhaven	53	Senior
Burnaby		
Cedar Place	90	Family
Douglas Drummond Manor	125	Senior
Hall Towers	214	Senior
Hall Towers Extension	118	Senior
Inman & Lister	16	Family
Irmin & McPherson	6	Family
Laurelyn Place	71	Senior
Stratford Gardens	127	Senior
Matsqui		
Marshall Road	11	Family
Mission		
Windebank Village	32	Family
New Westminister		
Ross Tower	101	Senior
North Vancouver		
Grant McNeil Place	112	Family
Richmond		
Rosewood Towers	176	Senior
Rosewood Village	138	Family
Squamish		
Valleycliffe	9	Family
Surrey		
Greenbrook	127	Family
North Surrey Lions Len Shepherd Manor	102	Senior
Ted Kuhn Tower	248	Senior
Ted Kuhn Tower Extension	189	Senior



Housing Portfolio *cont'd.*

Vancouver

Bauer Villa-Garden Villa	44	Senior
Brant Villa	48	Family
Carolina Court	50	Family
Champlain Place	100	Family
Chimo Terrace	80	Family
China Creek Place	18	Family
Comox Street	59	Family
Culloden Court	44	Senior
	88	Family
Cypress Walk	32	Family
8th & Vine	7	Family
Grandview Terrace	100	Senior
	54	Family
Haida Court	14	Family
Killarney Gardens	188	Senior
Little Mountain	20	Senior
	204	Family
MacLean Park	121	Senior
	38	Family
MacLean Park Extension	161	Senior
	139	Family
Nicholson Tower	223	Senior
Orchard Park	36	Senior
	133	Family
Redwood Mews	30	Family
Rupert Lane	42	Family
Seven Maples-Woodcroft	69	Senior
Skeena Terrace	69	Senior
	165	Family
Stamps Place	135	Senior
	241	Family
Steeves Manor	200	Senior
Sunset Towers	501	Senior

West Vancouver

Sunnyside Manor	61	Senior
Total	5737	Units
Senior	3496	Units
Family	2241	Units

Coastal

	Units	
Individual Houses	12	Family

Campbell River

Robron Village	48	Family
Simms Creek Gardens	30	Family

Ladysmith

Rialto Manor	22	Senior

Nanaimo

Howard Avenue	34	Family

Port Alberni

Garden Apartments	16	Family
George Dowling Place	16	Family
Gertrude Street	10	Family
Harbour View Manor	11	Family
Red Oaks Manor	12	Family

Saanich

Battin-Fielding	60	Senior
	19	Family
Edge Place	20	Family
Lakehill Corners	18	Family
Scotia Green	20	Family
1149 Union Street	4	Family
Saanich Houses	15	Family

Prince Rupert

Cedar Ridge	42	Family
Harbour View Gardens	166	Family
Mariposa Gardens	84	Family
Moresby Townhouses	24	Family
Pineridge Terrace	37	Family
Sunset Villa Apartments	37	Senior

Terrace

The Willows	40	Senior

Victoria

Bayview	12	Family
Blanshard Court	152	Family
	32	Senior
Cedar Townhouses	47	Family
Hampton House	81	Senior
Juniper Gardens	12	Family
The Glenshiel	74	Senior
Total	1207	Units
Senior	346	Units
Family	861	Units

Interior

	Units	
Individual Houses	2	Family

Castlegar

420-11th Avenue	14	Family
1449 Arrow Lakes Dr.	28	Family

Chase

Shuswap Ilahee Lodge	30	Senior

Cranbrook

	44	Family

Kamloops

Brocklehurst	12	Family

Keremeos

Mountain View Manor	26	Senior

Lillooet

Red Rock Manor	21	Senior

Merritt

Trade Winds Terrace	32	Senior

100 Mile House

Pioneer Haven	16	Senior

Oliver

Oliver Gardens	11	Family

Princeton

Allin Street	15	Family

Revelstoke

Monashee Court	50	Senior

Sparwood

Sasko Manor	18	Senior

Winfield

Cedar Court	30	Senior

Burns Lake

McKenna Place	40	Family

Dawson Creek

	50	Family

Fort St.John

	12	Senior
	28	Family

MacKenzie

Spruce Grove Apartments	30	Family

McBride

Beaver View Lodge	20	Senior

Prince George

Pine View Apartments	12	Family
Strathwood Apartments/ Townhouses	6	Senior
	44	Family
Vanier Apartments	30	Family
Westwood Court	34	Family

Vanderhoof

Riverglen	34	Family
Total	689	Units
Senior	261	Units
Family	428	Units
Grand Total	7,633	Units*
Senior	4,103	Units
Family	3,530	Units

*Does not include City of Vancouver managed Properties and Penticton & District Retirement Centre.

1987 Highlights

Regional Reorganization

During 1987 the Commission reorganized to decrease the number of regions. The new Coastal and Interior Regions replaced the former Vancouver Island, Northern and Southern Regions. This reorganization allowed the Commission to cut administrative costs without decreasing the level of service provided.

Capital Maintenance Program

In 1987, the Commission expended $11.4 million through the Capital Maintenance program for major upgrading of building interiors, exteriors and grounds. Various renovations completed in a number of developments included laying new flooring, installing new kitchen cupboards and bathroom vanities as well as new siding on buildings, upgrading fire safety equipment, installing exterior security lighting and upgrading playground equipment.

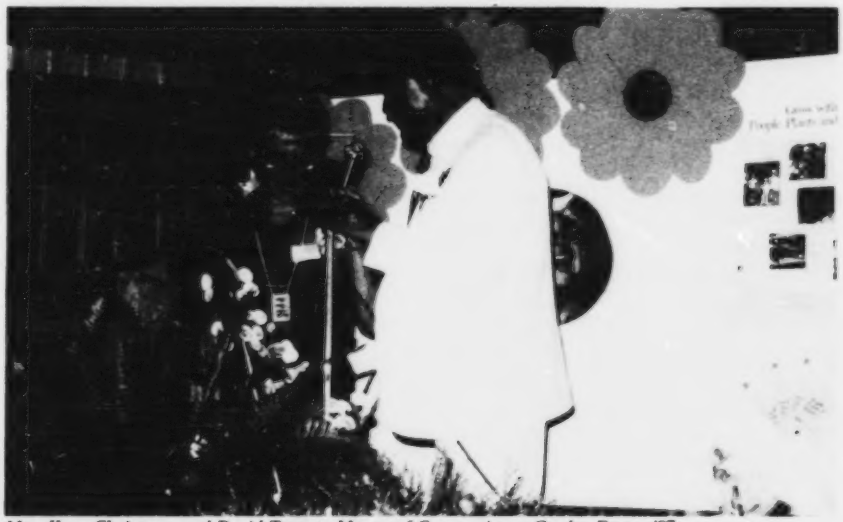
Highlights of 1987's Capital Program were the complete interior renovation and relandscaping of Cedar Place, a 90 unit family development in Burnaby, and, the completion of Phase I of the conversion to natural gas heating of Mariposa Gardens, an 84 unit family development in Prince Rupert.

Tenant Newsletter

"News For You", the Commission's tenant newsletter completed its second year of publication in 1987. Individual issues were produced for ten developments (2,000 units) undergoing major renovations through the Capital Maintenance Program, and two issues were published for distribution to all Commission tenants. The first of these province-wide issues, produced in cooperation with the Provincial Fire Safety Authorities and distributed in conjunction with National Fire Safety Week, was very well received. The second covered topics of interest to all tenants, including a letter from the Honourable Claude Richmond, Minister of Social Services and Housing.

Recreation Activity Program

The Commission continued to encourage active tenant associations through funding for recreation programs provided to 30 family and senior citizen tenant groups throughout the Province. These funds are used to finance purchases for the tenant lounges, sponsor field trips, and to cover costs of activities such as video nights.



Mrs. Kerr, Chairman, and David Tarrant, Master of Ceremonies at Garden Forum '87

People, Plants and Homes

The People, Plants and Homes program continues to be popular as the number of participants increases annually. Through workshops on various topics such as herb gardening, hanging baskets, planting spring bulbs and making Christmas centerpieces, participants are becoming more knowledgeable about gardening and are enjoying an increased pride in their homes.

Garden Forum participants in Vancouver were delighted with the appearance of the Honourable Claude Richmond, Minister of Social Services and Housing, and television gardening celebrity, Mr. David Tarrant, who served as Master of Ceremonies at the Forum and assisted with garden judging during the annual Garden Competition. Mr. Tarrant presented the awards at both the Vancouver and Victoria Garden Forums.

Coastal and Interior Region tenants also participated in the People, Plants and Homes program and in the various workshops conducted in Prince George and Prince Rupert.

Social Housing Delivery

In 1987 20 non-profit societies were assisted in developing 32 seniors and family projects throughout British Columbia. In addition, 31 group homes were built or acquired for societies contracting with the Ministry of Health and the Ministry of Social Services and Housing.

Bulk funding was provided by Peoples Trust who offered the best borrowing rates. Operating subsidies for this program are shared on the basis of two thirds funded by Canada Mortgage and Housing Corporation and one third by the Province.

1987 Highlights *cont'd.*

Technical Services

During the past year, significant improvements have been realized in the Commission's relationship with industry. The Commission continues its quest for improved construction materials and ways of applying them. By working with industry, we are developing more cost effective ways of building and maintaining our housing stock.

Life Safety

A special newsletter was issued to every Commission tenant throughout the Province during National Fire Safety Week which culminated in evacuation drills. In addition, $500,000 was spent in upgrading fire alarms to latest standards in 12 buildings. A further 12 buildings had Fire Safety Plans approved in various municipalities. Security was improved by the installation of new front doors and intercom upgrades at certain developments.

Energy Conservation

New energy efficient light fixtures costing $70,000 were installed in the public areas of 9 buildings, resulting in reduced energy consumption and costs.

Appliance Replacement

Reduced maintenance costs are expected after spending $300,000 on frost-free refrigerators and energy efficient ranges during Phase I of a 3-year upgrade program.

Wheelchair Modified Housing Registry

The Commission established a centralized registry for persons requiring modified housing units. This registry includes an inventory of all types of units modified for wheelchair users, a list of persons requiring such accommodation, and a referral service to match applicants with vacancies.

Vancouver Housing Registry

The Commission, on behalf of the Ministry of Social Services and Housing, cooperated in a joint proposal call with the City of Vancouver for a comprehensive housing support service. The Vancouver based service is geared to low-income families, seniors, the disabled, and older singles living in the downtown area. After the tender process was complete, successful negotiations were held with the YWCA. The Vancouver Housing Registry has been scheduled to open in early 1988.

International Year Of Shelter For The Homeless

The needs of the homeless and those at risk of becoming homeless were recognized in two new projects completed this year under the Non-Profit Housing Program. The Downtown Eastside Residents Association's 86 unit development in the renovated Century Tower Building offers bachelor units to older singles, seniors and the disabled in Vancouver's downtown eastside. Nearby, the Mavis/McMullen Society's Mavis Court, across the street from Oppenheimer Park, offers 34 units ranging from bachelors to 3 bedroom townhouses for families, the disabled, and older single women. In both projects, priority is given to local residents living in crowded or substandard housing.

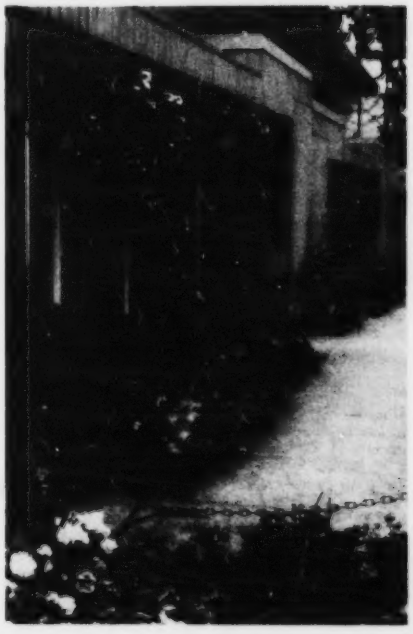
In 1987, the Commission approved the 127 Society's Brookland Court development on Helmcken Street in downtown Vancouver. This 80 unit project will be completed in 1988 and will house older singles and seniors, many of whom are now living in the area's old hotels, rooming houses, and shelters. Brookland Court is located next to a hostel run by the same society.

Social Housing staff participated in workshops at the Conference on Homelessness in British Columbia.

Garden Suite Display

In the summer, the Commission participated in the Garden Suite Demonstration Project which was jointly sponsored by Canada Mortgage and Housing Corporation and the Manufactured Housing Association of British Columbia.

The Garden Suite, known popularly as the "granny flat", is a modular unit designed for an elderly occupant. The unit is placed on the lot of an existing single family home, and can be relocated if no longer required. The Commission contributed $15,000 for the demonstration of the Garden Suite.



1987 Highlights *cont'd.*

Rent Supplement

The main highlight of department operations in 1987 was the delivery and implementation of the SHARP computer program. This program, the culmination of two years' effort, became operational in December.

Other significant achievements included developing a set of Guidelines to explain the program requirements to non-profit societies and presenting a successful workshop for non-profit societies. Under the various aspects of the 1986 Social Housing Program, 559 units in 56 new projects came on stream in 1987.

Personnel

The staff complement of the Branch was reduced from five staff to four, and the duties and functions of each employee were identified in order to streamline services in an efficient manner.

Labour Relations

The Hotel, Restaurant and Culinary Employees' and Bartenders' Union Collective Agreement, which expired October 31, 1985, was signed on September 30, 1987.

1987 was notable for the harmonious working relationships with all three unions representing Commission employees.

Only nine grievances were received in 1987 from a total of five employees. Two grievances went to arbitration and both were settled in the Commission's favour. These grievances were presented by Personnel and Labour Relations Branch staff, saving the Commission a substantial amount in legal fees.

Attendance Recognition Program

On account of their perfect record of attendance during 1987, a total of 25 employees will receive a Gold Key Holder under this program. These awards will be presented by the Chairman of the Board.

Long Service Awards

1987 was the commencement of the Long Service Awards Program and a total of 99 employees were recognized for five, ten and fifteen years of service.

Staff Training and Development

Training programs covered a wide range of needs and were received very positively by staff.

Some areas where training was offered included:

- computer skills
- property management
- labour relations
- supervisory techniques
- assertiveness training

Proving to be very popular were several bag lunch training sessions including "How to Apply for a Job" and "Everything You Always Wanted to Know About Job Evaluation".

Computer Services

A major addition to the computer system was completed, with the mainframe computer being upgraded for the newly developed Rent Supplement system. Implementation of a microcomputer-based applicant registry for the Vancouver Island Office began. This system will include the capability of recording applicants for co-ops and handicapped housing.

1987 Highlights *cont'd.*

Accounting Services

During 1987, three tenders were awarded which resulted in an overall reduction in the cost of the annual audit, banking services, and debt collection services. Reporting system improvements were made for the payroll audit trails and time sheets. Also, financial statements were developed for the new 56.1 NHA programs.

Budget & Administration

In January 1987, the Administrative Services and the Financial Planning and Budgeting departments were amalgamated into a new department, Budget and Administration. During the year, major changes to the purchasing system were implemented with particular emphasis on tendering, contracting and bulk purchasing. Public tenders were issued for major areas such as painting, flooring, elevator maintenance and fire protection services.

The funding for the construction of new social housing units was tendered and the most competitive bid accepted. This resulted in a $1.5 million saving in interest, costs and legal expenses over a five-year period.

Records & Information Centre

The major accomplishments in 1987 were the conversion of Rent Supplement and regional office files to the new File Plan, revision of the File Plan Index, and development of a book catalogue covering over 2,000 volumes. Substantially increased activity was seen in the volume of documents pulled and filed (35,526), transfers of boxes to the Records Management Branch (242) for retention, and in the research/ reference area. There was increased use of microcomputer technology for cataloguing, acquisitions, activity reporting, periodicals ordering and circulation.

Internal Audit

Internal Audit continued to review the Commission's operations and procedures both to evaluate the adequacy and effectiveness of internal control systems, and to determine whether established Policy and Procedures are economical, efficient, effective and uniformly applied throughout the Commission. Major projects during 1987 included operational audits in the Burrard Region and the Financial Services Branch. In addition, a follow-up operational audit was completed in the Prince George Office. Follow-up audits will be conducted on a cyclical basis to help achieve Commission operational goals.

Internal Audit was also active in testing and reviewing the new Rent Supplement (SHARP) System and in assisting in analyzing the Commission's computer hardware needs.

Commission Organization

Board of Commissioners

Mary H. Kerr
Chairman

Duncan McDougall
Naramata

Betty Shandro
Richmond

Audrey Laboucane
Fort St. John

Douglas Mowat, MLA
Vancouver

Samuel Travers
Ministry of Social Services and Housing

Senior Management

J.C.(Ian) Leman
General Manager

Peter Robinson
Director, Field Operations

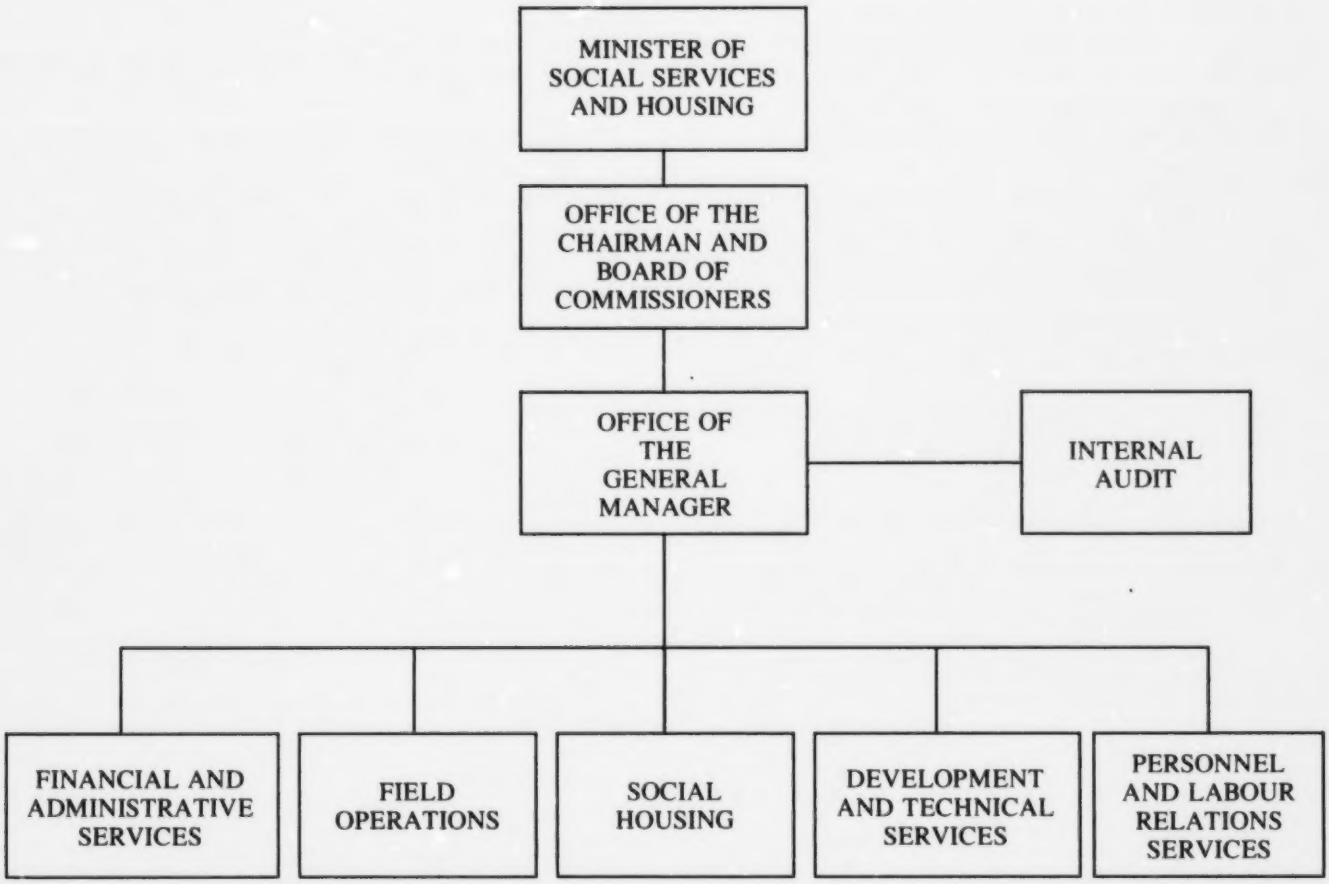
Richard Staehli
Director, Development and Technical Services

Enid J.Buchanan
Director, Social Housing

R.L.(Lin) Matthews
Director, Financial and Administrative Services

Sylvia Porter
Manager,Personnel and Labour Relations

Organization Chart (By Function)


MINISTER OF SOCIAL SERVICES AND HOUSING
OFFICE OF THE CHAIRMAN AND BOARD OF COMMISSIONERS
OFFICE OF THE GENERAL MANAGER
INTERNAL AUDIT
FINANCIAL AND ADMINISTRATIVE SERVICES
FIELD OPERATIONS
SOCIAL HOUSING
DEVELOPMENT AND TECHNICAL SERVICES
PERSONNEL AND LABOUR RELATIONS SERVICES

Auditors' Report

To the Chairman
British Columbia Housing Management Commission

We have examined the combined balance sheet of the Province of British Columbia, Projects and Programs Managed by British Columbia Housing Management Commission, (the Commission) as at December 31, 1987 and the combined statements of revenue and expenditure and Province's account and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the combined financial position of these projects and programs managed by the Commission as at December 31, 1987 and the combined results of their operations and changes in their financial position for the year then ended in accordance with the accounting policies described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

The financial statements for the preceding year were examined by other Chartered Accountants.

Thorne Ernst & Whinney

Thorne Ernst & Whinney
Chartered Accountants

New Westminister, Canada
April 8, 1988

Combined Balance Sheet

At December 31, 1987 and 1986

	1987	1986
ASSETS		
Cash	**$ 4,171,875**	$ —
Accounts receivable	**652,562**	487,354
Prepaid expenses and shelter supplement	**851,000**	984,404
Due from Province of British Columbia	**—**	3,050,700
Due from Canada Mortgage and Housing Corporation	**2,173,892**	6,862,427
Disaster loss fund (note 3)	**783,399**	732,537
Fixed assets (note 4)	**258,750**	110,276
	$ 8,891,478	$ 12,227,698
LIABILITIES AND PROVINCE'S ACCOUNT		
Bank indebtedness	**$ —**	$ 2,675,870
Accounts payable and accrued liabilities	**4,351,530**	5,560,717
Tenants' prepaid rent	**326,283**	327,261
Amortization payable	**115,521**	150,357
Disaster loss reserve (note 3)	**783,399**	732,537
	5,576,733	9,446,742
Province's account	**3,314,745**	2,780,956
	$ 8,891,478	$ 12,227,698

Approved by the Commission:

Mary D. Egan

Chairman

D R M Dougall

Member

See accompanying notes.

Combined Statement of Revenue and Expenditure and Province's Account

Years Ended December 31, 1987 and 1986

	1987	1986
Revenue:		
Tenant rent	**$ 21,383,803**	$ 20,692,823
Sundry	**499,620**	351,718
	21,883,423	21,044,541
Expenditure:		
Amortization	**14,257,299**	14,318,670
Operating	**11,926,421**	11,547,515
Shelter supplement	**6,114,610**	5,965,560
Maintenance	**4,711,418**	4,420,694
Grants in lieu of taxes (note 5)	**3,800,887**	3,605,457
Administration	**3,928,897**	3,610,101
Modernization and improvement	**11,445,514**	9,902,906
Provincial programs	**1,989,366**	1,941,730
Working capital interest (note 2)	**683,283**	699,171
	58,857,695	56,011,804
Operating deficit	**36,974,272**	34,967,263
Interest income, net	**597,680**	572,503
Excess of expenditure over revenue for the year	**36,376,592**	34,394,760
Less Canada Mortgage and Housing Corporation subsidy share	**21,423,777**	20,351,800
Net Provincial share of expenditure	**14,952,815**	14,042,960
Subsidy receipts	**15,491,900**	14,788,220
	539,085	745,260
Province's account, beginning of year	**2,780,956**	2,035,696
Prior period adjustment (note 6)	**(5,296)**	—
Province's account, end of year	**$ 3,314,745**	$ 2,780,956

See accompanying notes.

Combined Statement of Changes in Financial Position

Years Ended December 31, 1987 and 1986

	1987	1986
Operating activities:		
Excess of expenditure over revenue for the year	**$ 36,376,592**	$ 34,394,760
(Deduct) items not affecting working capital:		
Depreciation	**(63,742)**	(77,530)
Loss on sale of fixed assets	**(45,869)**	—
Net changes in non-cash working capital balances relating to operations:		
Accounts receivable	**165,208**	151,682
Prepaid expenses and shelter supplement	**(133,404)**	37,624
Accounts payable and accrued liabilities	**1,209,187**	(2,110,268)
Tenants' prepaid rent	**978**	(112,832)
Amortization payable	**34,836**	(150,357)
Cash applied to operations	**37,543,786**	32,133,079
Investing activities:		
Additions to fixed assets	**275,045**	—
Proceeds on sale of fixed assets	**(16,960)**	—
Cash applied to investing activities	**258,085**	—
Financing activities:		
Subsidy receipts:		
Province of British Columbia	**18,542,600**	13,845,520
Canada Mortgage and Housing Corporation	**26,107,016**	18,280,665
Cash provided by financing activities	**44,649,616**	32,126,185
Increase (decrease) in cash during the year	**6,847,745**	(6,894)
Bank indebtedness, beginning of year	**2,675,870**	2,668,976
Cash (bank indebtedness), end of year	**$ 4,171,875**	$ (2,675,870)

See accompanying notes.

Notes To Combined Financial Statements

December 31, 1987

1. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of financial statement presentation

These statements combine six separate financial statements of projects and programs operated by the Province of British Columbia (Ministry of Social Services and Housing), and each has its own subsidy sharing agreement and is managed by British Columbia Housing Management Commission (the Commission).

The statements are prepared on the basis of accounting policies followed by similar entities in the Province of British Columbia.

b) Amortization

These statements do not include the capital cost of the projects, however, amortization in lieu of depreciation and interest on capital costs is in part payable to the Provincial Rental Housing Corporation and in part credited to Canada Mortgage and Housing Corporation based on schedules provided by the participants.

c) Tenant rent revenue

Tenant rent revenue represents rent charged to residents, and is determined as the lesser of market rent and a percentage of the residents' income.

d) Fixed assets

All purchases are recorded as program operating expenditures, except for computer hardware and software which are recorded at cost as fixed assets and depreciated on the straight line basis over five and three years respectively.

2. WORKING CAPITAL INTEREST

The Province of British Columbia, through its Wholly Provincial Projects and Programs account, provides working capital to the projects and programs managed by the Commission, at interest rates agreed to by the participants.

3. DISASTER LOSS FUND

This fund, financed by the Province of British Columbia and Canada Mortgage and Housing Corporation, provides for claims below the deductible amounts of insured properties and for damages to uninsured items.

	1987	1986
Balance,beginning of year	**$ 732,537**	$ 671,387
Working capital interest	**71,509**	73,129
	804,046	744,516
Less claims expense	**20,647**	11,979
Balance, end of year	**$ 783,399**	$ 732,537

Notes To Combined Financial Statements *cont'd.*

4. FIXED ASSETS

	Cost	Accumulated Depreciation	**1987 Net**	1986 Net
Computer hardware	$ 289,882	$ 129,147	**$ 160,735**	$ 110,276
Computer software	170,960	72,945	**98,015**	–
Balances, end of year	$ 460,842	$ 202,092	**$ 258,750**	$ 110,276

5. GRANTS IN LIEU OF TAXES

The Commission, on behalf of the Province of British Columbia and Canada Mortgage and Housing Corporation, pays each municipality a grant equivalent to property taxes due for all residential properties and projects managed.

6. PRIOR PERIOD ADJUSTMENT

Under an agreement between the Province of British Columbia and Canada Mortgage and Housing Corporation, the cost sharing of subsidies between the participants has been revised for the prior year.

7. LEASE COMMITMENTS

The Commission has minimum rental obligations under operating leases for office space to be expensed over the next five years as follows: $450,000 in 1988, $450,000 in 1989, $389,000 in 1990, $339,000 in 1991, and $285,000 in 1992.

8. COMPARATIVE INFORMATION

Certain 1986 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1987.

Schedule of Net Program Costs

	1987	1986
Property Management Portfolio:		
Section 40 National Housing Act (NHA) – Regular	**$15,436,108**	$15,101,087
– City of Vancouver	**1,563,415**	861,908
Section 44 NHA – Regular	**9,771,452**	9,315,559
Wholly Provincial Projects and Land Parcels	**(74,449)**	(471,567)
	26,696,526	24,806,987
Non-Profit and Private Sector Rental Assistance Programs:		
Section 44(1)(a) NHA		
Private	**1,792,664**	1,944,042
Disabled	**1,494,997**	1,648,325
City of Vancouver Residences	**325,350**	327,783
Section 44(1)(b) NHA		
Senior Citizens	**2,814,616**	3,012,229
High Impact Grants	**4,127**	39,584
Section 56.1 NHA		
Social Housing Program:		
Rent Supplement Programs	**478,026**	91,191
Non-Profit Housing Programs	**780,920**	582,889
	7,690,700	7,646,043
Other Provincial Programs:		
Consulting Services to Non-Profit Societies	**11,473**	12,330
Rural and Remote Mortgage Program	**960,021**	966,127
GVRD and Coop Mortgage Programs	**26,160**	30,713
Provincial Rental Assistance Program	**991,712**	932,560
	1,989,366	1,941,730
Excess of expenditure over revenue for the year.	**$36,376,592**	$34,394,760
Subsidy sharing:		
Province of British Columbia	**14,952,815**	14,042,960
Canada Mortgage and Housing Corporation	**21,423,777**	20,351,800
	$36,376,592	$34,394,760

Note: This schedule is not covered by the Auditors' Report.

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